GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agriculture Department - Buffer Stocks - Nomination of Andhra Pradesh State Seeds Development Corporation Limited as Nodal Agency for procurement & preposition of the Seed for the year 2016-17 – Operational Guidelines - Orders – Issued.

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AGRICULTURE & COOPERATION (AGRI.II) DEPARTMENT

G.O.RT.No. 186 Dated: 08-03-2016

Read the following:

1.G.O.Rt.No.83, Agriculture & Cooperation (Agri.II) Dept, dated:05-02-2016.
2.From the Director of Agriculture, A.P., Hyderabad, letter No.SC(5)/1224/2015, dated:13-02-2016.

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ORDER:

In the G.O.1st read above, the Andhra Pradesh Seed Development Corporation Limited has been appointed as Nodal Agency for taking up Buffer Seed Stocking Operations for the Andhra Pradesh State and also accorded permission to raise loan upto Rs.300.00 crores from the Banks.

2. In the reference 2nd read above, the Director of Agriculture, A.P., Hyderabad while enclosing the draft guidelines for Buffer Seed Stocking Operations submitted by the Vice-Chairman & Managing Director, Andhra Pradesh State Seeds Development Corporation Limited, Hyderabad has requested the Government to approved the same.

3. Government after careful examination, hereby approve the guidelines submitted in the reference read 2nd above, annexed to this order.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.VIJAY KUMAR
SPECIAL CHIEF SECRETARY TO GOVERNMENT (AGRI)

To
The Vice-Chairman & Managing Director,
Andhra Pradesh State Seeds Development Corporation Limited, A.P.,
Hyderabad.
The Director of Agriculture, A.P., Hyderabad.
The Commissioner of Agriculture Marketing, A.P., Hyderabad.
The Director of Research, ANGRAU.
The Secretary to Government, Finance, A.P., Secretariat, Hyderabad.
Copy to:
The P.S to Special Chief Secretary to Govt(Agri)
The P.S to Minister(Agriculture)
SF/SC.

//FORWARDED BY ORDDR//

SECTION OFFICER

**ANNEXURE**

**Annexure to G.O.RT.No.186, Agri. & Coop.(Agri.II) Dept., Dt.08-03-2016,**

**Operational guidelines on "BUFFER STOCKING OF SEED OPERATIONS" for the year 2016-17.**

1. **Preamble:** A.P.S.S.D.C's Buffer Seed Stocking Operations is an attempt to ensure adequate supply of quality seed by procuring the same at harvest time, well in advance to the commencement of sowing seasons.

This would keep the seed market prices under check by stocking of the required seeds. APSSDC intends to make purchase of seed at harvest times when the prices are low and stock it to distribute during the seasons when the prices in market are usually on higher side.

Bufferstocking helps in ensuring timely availability of seed at the time of sowing, at reasonable prices and insures from any abnormal price rise, during the off season. Further, Department of Agriculture will not be cornered by Private seed suppliers when the market fluctuations are high in the middle of the season.

These operations will reduce the subsidy burden on the Government and the non-subsidy burden on the farmer and will help in meeting the seed replacement rate with desired varieties as per plan.

**2. Planning:**

**2a.** The quantities of seed required for each crop / variety will be planned and proposed by the Department of Agriculture 2 to 3 years in advance for both Kharif and Rabi seasons.

**2b.** The Seed supplying Agencies will place indent to ANGRAU in accordance to the allotments received from the Director of Agriculture against each crop for Breeder seeds.

**2c.** The quantities that are planned for procurement for each crop / variety, will be figured out basing on the seed demand confronted and the distribution carried out in the previous years, both Kharif and Rabi.

**2d.** An analytical review will be taken on the track record of areas /districts, specific for each crop / variety and their production capacity for the last 4 to 5 years while allotments are made among districts for organizing seed Production.

**2e.** The future strategies, if any to implement or to introduce a new crop / variety or a cropping pattern suggested against certain critical situations in a particular area will also be considered as a base for making future indents.

**2f.** Thereafter, the areas will be decided to take up the required quantities of production under each crop, as per plan.

**2g.** Plan of Production through Individual farmers and Seed Organisers.

**2g (i)** The seed production will be organized through individual farmers in case of Paddy where there is a high seed multiplication ratio, where seed in higher quantities can be produced in small and compact areas.

**2g(ii).** Whereas in other crops like Blackgram, Greengram, Redgram the production may be organized through individual growers and also through Seed Organisers, since the seed multiplication ratio is low. Since it is difficult to produce larger quantities from small areas, higher number of areas and plots are required, even for small requirements of production.

**2g(iii).**In other crops like Groundnut and Bengalgram, the seed production may be organized mainly through seed organizers and partially through individual growers as

- The seed requirement will be huge.
- The seed multiplication ratio is very low.
- More number of plots and larger extents are required for production.
- In principle, the areas taken for production are Rainfed and the harvest is not sure.

**2g(iv).** The production of seed through Seed Organisers is to be planned in a prescribed manner to curtail the entry of grain traders by cutting down the speculative tendencies.

To institutionalize the seed production through seed organizers, it is necessary to go through the track record of seed organizer on the following lines.

1) Experience in seed production.
2) Previous history in supplying the quantities, made agreement with corporation.
3) Processing plant standards.
4) Godowns and other establishments capacity.
5) Staff availability with technicality.
6) Crop / varieties being handled per year.
7) Financial capacity to meet the EMDs.
8) Quality complaints if any in previous years.
9) Areas proposed for taking up Seed production by a particular organizer.

**2h.** The list of the farmers and organizers will be prepared after a thorough examination of the following aspects for selecting areas, to take up the intended Seed Production.

**2h(i).** Seasonal conditions during critical periods in a particular area during the production time.

**2h(ii).** Capacity and the track record of a particular farmer or an organizer are taken into account while distributing source of seed for taking up seed production and the list of farmers / organizers are prepared to organize the intended seed production under each crop.

**2i.** Source of seed is distributed and the production areas under each crop / variety will be taken up for Certification to ensure the quality in all parameters.

**3. Production of seed**:
**3a.** The technical Officials of APSSDC will supervise and coordinate with the farmers and as well with the organizers in order to get best out of the production in terms of quantity and quality.

**3b.** Individual farmers:

The seed production areas will be distributed among the technical staff of the APSSDC to conduct field inspections at various stages of the crop period as per seed production and certification procedures and standards. (Seed Certification Standards)

**3c**. In case of Seed Organisers:

The Organiser will take up the whole responsibility in the production right from registration with AP State Seed Certification Agency to the packing and supply of produce to the destinations.

The Staff of the Organiser along with the Staff of APSSCA and APSSDC will conduct the field inspections and other requirements involved in Certification procedure till the final packing and supply of seed.

**3d.** The technical staff of APSSDC will be responsible against their production areas for all the lapses, that arise during production, processing and packing, payments, movement to stocking points and finally with the issues and problems, that occur with the quality of seed during pre and post sowing in case of the production taken up through individual growers.

**3e.** The Organisers will be responsible for their agreemented areas and quantities for all the lapses that arise during production, processing, packing, movement of seed to destinations and finally with the quality of seed during pre and post sowing.

4. **Procurement Norms**:
**Individual growers**:

**4a.** No EMD will be collected from Individual farmers.
**4b.** In case of Individual Firms Breeder seed will be supplied to the farmers on subsidy by APSSDC.
**4c.** The Certification charges on different heads will be borne by individual farmers.

**4d.** Individual Agreements will be obtained from all farmers.
**4e.** Un Processed Seed will be supplied to APSSDC processing plants by the farmer at his own cost. (or through self help groups wherever possible)

**4f.** Cost involved in processing and packing will be borne by APSSDC.

**In case of Organisers:**

**4g.** 5% of EMD will be collected from the Seed Organisers basing on
1) Value of Crop / Variety 2) Value of quantity offered for production.

**4h.** Breeder seed will be supplied by APSSDC on subsidy.
**4i.** Organiser will be allowed to take up seed production utilizing their own Source i.e., Foundation seed / Certified seed Stage I.

**4j.** APSSDC will arrange Foundation seed on reduced prices in case the organizer wants to procure the source from Corporation.

**4k.** Organiser will enter Agreement for the total quantity offered by him to supply for each crop / variety.
**4l**. The local transportation, processing and packing charges will be borne by seed organizers.
**4m**. The processing and packing will be taken up at the processing plants of seed organizers under the supervision of APSSDC Official.

**4n.** The Certification charges on different heads will be borne by the Seed Organiser.

1. **5. Quality Supervision and Assurance :**

**5a.** Quality aspects in all parameters in case of Individual farmers will be ensured by APSSDC and APSSCA, with the issues arise during pre and post sowing periods, including post harvest stages.

**5b.** In case of Seed Organisers, quality aspects in all parameters will be assured by Seed Organisers and APSSCA with the issues arise during the pre & post sowing periods, including post harvest stages.

**5c.** The EMD will be retained and forfeited and compensation to the tune of loss will be arranged from Seed Organisers in case of issues and complaints received against their seed supplies.

**5d.** In case of Seed Organisers, the EMD will be retained and forfeited when found lapses in meeting the 90% of quantities as per Agreements.

**5e.** The farmers, who ever failed to supply the seed in the stipulated time frame as per Agreement, will be black listed and seed production cannot be entrusted further with such farmers.

**5f.** The Seed Organisers will be black listed when they fail to supply the seed in the stipulated time frame as per Agreement. They will not be entertained to take seed production further in the coming years.

**5g.** The individual farmers and as well the Seed Organisers will be barred from Seed Production if the seed supplied by them is established spurious, in the performance of the crop / variety.

**5h.** APSSDC will ensure seed quality and shall bear any monetary loss that may occur with the performance of the crop after supplying the seed that is procured from individual farmers by APSSDC.

**5i**. In case any monetary loss occurs due to under performance of the crop with the seed arranged from a seed organizer, the organizer will be responsible for the loss and shall pay the compensation to the tune of loss occurred.

**6. Processing and Packing :**

**6a.** The processing plants and storage godowns will be located and hired near to the production areas and also near to the areas where the seed is meant for distribution.

**6b.** The packing material for taking up cleaning and packing will bearranged by APSSDC for both individual growers and seed organizers.

**6c.** The processing and packing of the seed will be carried under the supervision of APSSDC Officials in both cases i.e., Individual farmers and Seed Organisers.

1. **7. Purchase** :

**7a.** The procurement will be made as per the procurement prices recommended by the Prices Sub-Committee for each crop.

**7b.** In case of raise and fall of prices in the markets, the procurement will be carried retrospective to the revised prices recommended by the Revision Committee from time to time.

**7c.** Payment to the procured quantities will be extended in two stages 1) Advance payment 2) Final payment.

**7d.** Advance payment will be extended to a tune of 85% value of the produce at the time of seed arrival to processing plant for both Individual farmer and Seed Organiser.

**7e.** Final payment of remaining 15% value will be made after the seed is finally procured after Certification**.**

**8. Storage**:

**8a.** It is proposed to stock the seed in as many as godowns covering every Mandal for seed distribution.

**8b.** The Certified seed stocks will be moved to the godowns, located near the areas where the seed distribution will be taken up in the seasons.

**8c.** The expenditure involved in transportation of stocks from processing plants to storage godowns will be borne by APSSDC in case of Individual farmers and will be borne by Seed Organisers in their case.

**8d**. The selection of godown will be taken up through Tender process where Cold Storage conditions are necessitated.

**8e.** In case of general storage, godown belong to AMCs will be given preference. The rental charges will be paid as per Government norms in vogue.

**8f.** In areas where godowns belong to AMC or other Government bodies are not available, godowns under to private ownership will be preferred basing on the godown locality godowns near to the areas of production or distribution will be given preference.

**9. Transport & Sale of seed:**

**9a.** Distribution of seed will be carried through Sale Counters.

**9b.** Jurisdiction of a Sale point allocation will be done by the District Joint Director of Agriculture for every season.

**9c.** Mandal will be taken as the base for carrying Seed distribution and sale counters will be established in all Mandals as per no. of Mandals got allocated to APSSDC in each District.

**9d.** Seed will be moved to Sale Counters at the cost of transportation charges borne by APSSDC, in case stocking points are not available near to the Sale Counter.

**9e.** The movement of seed from Godowns to sale counters will be made by the concerned transporter of APSSDC in every District.

**10.Financing:**

**10a.** The funds for procurement of seeds in the operations of Buffer Seed Stocking Operations will be mobilised from Banks, as per Government's approval.

**10b.** The requirement of funds from time to time will be proposed basing on the

1) Crop / variety to be procured
2) Quantity to be procured
3) Procurement price of the seed fixed for purchase

**10c.** The value of the total procurement will be arrived basing on the above three factors and proposal will be made to Banks, for finance in advance.

**10d.** Preference will be given obviously to the Banks who offer lowest interest rates.

**10e.** Repayment will be done against the loans, soon after the sale amounts are received from time to time and releasing subsidy from Government.

**11.Miscellaneous :**

**11a. Coverage of Losses:** Coverage of financial losses that may occur during the operations of'Buffer Seed Stocking Operations' as follows:

**11a (i).** The seed that is procured and kept in Godowns for storage will be covered under Insurance to safeguard from the losses that may occur due to fire, theft, floods and other hazards.

**11a (ii).** The losses that are noticed and found attributable to storage conditions will be recovered from the Godown owners by adjusting against the EMDs or from rental payments and as a revenue recovery.

**11a (iii).** The losses, that are noticed during transit period and also found attributable to the transportation will be recovered from the transporter by adjusting against the transportation charges payable.

**11a (iv.)** The losses that may occur due to the reasons furnished below cannot be fixed on the individuals and the losses are to be safe guarded and covered financially in the "Buffer Seed Stocking Operations".

- Resale of unsold seed stock as grain after the season:
- Disposal of seed stocks that are retained and not utilized as seed due to loss of viability.
- Quantity loss during longer period of storage due to fall of seed moisture levels.

**11b. Requirement of Additional Man power :**

11b.(i) In case of requirement of additional man power, the power of recruitment is vested with the V.C. & Managing Director for recruiting required man power with prior approval of Buffer Seed Stocking Committee.

11b. (ii) Financial aspect on the recruitment of man power in the process of "Buffer Seed Stocking" may be covered in these operations.

**11c. Requirement of Additional Mobility** :

11c (i) In case of requirement of additional mobility, the power of procuring mobility according to the need may be vested with the V.C. & Managing Director with the prior approval of Buffer Seed Stocking Committee.

11c (ii) Financial aspect on the procurement of mobility in the process of "Buffer Seed Stocking" may be covered in these operations.

**Monitoring of the "Buffer Seed Stocking Operations"**

The Committee have constituted vide G.O.Rt.No.83, Agriculture & Cooperation (Agri.II) Dept, dated:05-02-2016 to monitor and supervise the operations of Buffer storage of seed from time to time.

**12a.** The V.C. & Managing Director, APSSDCL, in the capacity of the member and Convener for the Committee will monitor the operations of "Buffer Seed Stocking Operations" under the supervision of the Committee.

**12b.** The V.C. & Director, APSSDCL, will appraise the progress of the operations to the Committee from time to time.

**12c.** The V.C. & Director, APSSDCL, will bring the issues or problem, if any to the knowledge of the Committee for timely intervention to carry out the operations without any interruption.

**13.Audit:**

**13a.** A final report on the operations will be prepared soon after the season is completed and submitted to the “Buffer seed Stocking Operations” Committee. The report covers the following aspects.

**i)** Seed procurement, done for each crop / variety
**ii)** The procurement value of each crop / variety.
**iii)** The quantity of seed distributed under each crop / variety.
**iv)** The value of the seed distributed under each crop /variety.
**v)** The leftover stocks after completion of seed distribution during a particular season.
**vi)** The quantity that can be utilized for seed purpose further incoming seasons and its value.
**viii)** The expected value of the balance stock, to be reimbursed after disposal as grain in the open market.
**ix)** Non-subsidy amounts pending with sale counters.
**x)** Amount of Bank loan raised.
**xi)** Interest value to that date.

**13b.** On receipt of the above information the Physical and Financial matters of operations will be subjected for Statutory Audit to arrive the Financial status in terms of Profit & Loss in operating the “Buffer Seed Stocking” in a season.

**13c.** The Committee will submit the same to the Government for their appraisal and further necessary action.

T.VIJAY KUMAR
SPECIAL CHIEF SECRETARY TO GOVERNMENT (AGRI)

SECTION OFFICER